EXHIBIT D SPECIAL TERMS AND CONDITIONS

I. TERMINATION

A. Termination for Convenience

- 1. In addition to the State's right to terminate pursuant to Exhibit C, Section VII and as otherwise provided in this Agreement., the State may terminate this Agreement without cause by giving written notice of termination to the Contractor not less than thirty (30) calendar days prior to the effective date of the termination. In the event the State terminates all or a portion of this Agreement pursuant to this item 1. A., it is understood that the State will pay the Contractor for satisfactory services rendered prior to the termination, but not in excess of the amount payable pursuant to the terms of this Agreement or in excess of the maximum amount.
- 2. If, after notice of termination for failure to fulfill contract obligations pursuant to item VII of Exhibit C, it is determined that Contractor had not so failed, the termination shall be deemed to have been effected for the convenience of the State pursuant to item I.A. above.

B. <u>Termination for Insolvency</u>

Contractor shall notify the State immediately in writing in the event that Contractor files any federal bankruptcy action or state receivership action, any federal bankruptcy or state receivership action is commenced against Contractor, Contractor is adjudged bankrupt, or a receiver is appointed and qualifies. In the event of any of the foregoing events, or if the State determines, based on reliable information, that there is a substantial probability that Contractor will be financially unable to continue performance under this Agreement, the State may terminate this Agreement and all further rights and obligations immediately by giving five (5) days' notice in writing.

C. Responsibilities of the Parties

Upon notice of termination on any basis under this Agreement the responsibilities of the parties shall be as follows:

 Upon receipt of any notice terminating this Agreement, the Contractor shall immediately discontinue all services and tasks affected, unless the notice directs otherwise. 2. The Contractor shall cooperate fully and completely with the State and any of its Contractors both during and after the termination and transfer process.

II. <u>AFFIRMATIVE COVENANTS</u>

A. <u>Notice of Proceedings</u>

The Contractor shall promptly notify the State in writing of any investigation, examination or other proceeding involving the Contractor, or any Key Personnel, commenced by any regulatory agency which proceeding is not conducted in the ordinary course of the Contractor's business.

B. <u>Maintenance of Insurance</u>

The Contractor warrants that it carries adequate directors and officers liability insurance, workers' compensation insurance, employer liability insurance and other insurance as specified by the State, and that it shall maintain such insurance at levels acceptable to the State in full force and effect during the term of this Agreement. All insurance shall be adequate to provide coverage against losses and liabilities attributable to the acts or omissions of the Contractor in performance of this Agreement and to otherwise protect and maintain the resources necessary to fulfill the Contractor's obligations under this Agreement. The Contractor shall maintain additional insurance coverage for business interruption and data processing coverage arising from significant system problems. Satisfactory evidence of all coverage shall be made available to the State upon request.

C. Books and Records

The Contractor shall keep accurate books and records connected with the performance of this Agreement during and for three years after the term of this Agreement, or until the final payment under this Agreement, whichever is later. Such books and records shall be kept in a secure location at the Contractor's office(s). If an audit, review, examination or evaluation is commenced during the time specified herein for the maintenance of books and records, Contractor shall continue to maintain all relevant books and records until the audit, review, examination or evaluation is completed. The Contractor shall ensure that books and records of subcontractors, suppliers, and other providers shall also be accurately maintained for the same periods.

D. Quality and Financial Audits

- 1. During term of this Agreement and either for three years after the end of the term of this Agreement or until three years after the final payment under this Agreement, whichever is later, the Contractor agrees that the State, its authorized representatives, and such consultants and specialists as needed, as well as the State Auditor. the U.S. Department of Health and Human Services, and the Comptroller General of the United States or their representatives. consultants, and specialists will have the right to review, obtain, and copy all records pertaining to performance of the contract. The Contractor agrees to provide the applicable state or federal agencies or their representatives, consultants, and specialists with any requested information connected with performance of this Agreement and shall permit the agencies or their representatives, consultants, and specialists access to its premises upon reasonable notice, during normal business hours for the purpose of interviewing employees and inspecting and copying such books, records, accounts, and other material that may be relevant to a matter under investigation. If an audit, review, examination or evaluation is commenced during the time specified herein, Contractor shall continue to provide access as specified above until the audit, review, examination or evaluation is completed.
- 2. The Contractor shall comply with the caveats and be aware of the penalties for violations of fraud and for obstruction of investigation as set forth in Public Contract Code Section 10115.10, to the extent that said statute is valid and enforceable.
- 3. The Contractor shall submit to the State a copy of its annual Certified Public Accountant (CPA) report (balance sheet, income statement, cash flow statement and related notes to the financial statements, as well as the management letter). The Contractor shall submit the CPA report to the State within thirty (30) calendar days of its receipt. The Contractor shall also report to the State as applicable, its corrective action plan in any audit findings specifically related to the duties and responsibilities under this agreement. The Contractor agrees to submit quarterly unaudited financial statements (balance sheet and income statements) to the State, if such statements are requested by the State.
- 4. The State may make periodic audits and reviews, examinations or evaluations at its expense regarding the Contractor's performance under this Agreement, including but not limited to the quality of services rendered pursuant to this Agreement. The State may also audit and examine records and accounts, which pertain, directly or

indirectly, to the Contractor's (including its parent corporation's) performing of services pursuant to this Agreement. The Contractor shall cooperate fully with such auditors; however, such audit shall not interfere with the administration of the Contract, or with the administration of the Contractor.

- 5. Audits, reviews, examinations or evaluations may be undertaken directly by the State, or by the Office of the State Auditor, or by third parties engaged by the State, including accountants, consultants and physicians. The Contractor shall cooperate fully with the State or any such third party in connection with such audit, review, examination or evaluation.
- All adjustments, payments and/or reimbursements determined to be necessary by any audit, review, examination or evaluation shall be made promptly by the appropriate party.
- 7. The Contractor shall have the opportunity, prior to the release of the audit, review, examination, or evaluation report, to review the draft and to include in the report its responses to issues raised by the report.

E. <u>Contractor Cooperation</u>

The State has agreements with participating health, dental and vision plans and other contractors and consultants to provide services to persons enrolled in the Healthy Families Program and to the State. The Contractor shall cooperate fully, and in a timely manner with the participating plans, and any other contractors and consultants designated by the State and shall provide all information necessary to facilitate enrollments, disenrollments, transfers, and all other work under this Agreement. Upon adequate notice, the Contractor shall open its facilities, and offer a review of relevant records to plans participating in the Program.

F. Copyright Protections

The Contractor agrees to grant to the State and Federal Government a royalty-free, nonexclusive and irrevocable license to publish, translate, reproduce, deliver, perform, dispose of and authorize others to do so, all data, electronic data processing software that is specifically developed exclusively for this contract, and all Program forms and public informational materials, which are covered by copyright and were specifically developed by the Contractor for the implementation of this Agreement. Such license shall be effective only to the extent that the Contractor has the right to grant such license without becoming liable to pay compensation to others because of such grant.

G. Subcontractors

The Contractor shall obtain prior written approval from the State before subcontracting any of the services delivered under this Agreement unless approval of the subcontract is included in this Agreement. Any subcontracting will be subject to applicable provisions of this contract, and all applicable State and Federal regulations. The Contractor shall be held responsible by the State for the performance of any subcontractor.

H. Notices

The parties agree that to avoid unreasonable delay in the progress of the services performed hereunder, the Contractor and the State shall each designate specific staff representatives for the purpose of communication between the parties. Any notice or other written communication required or which may be given hereunder shall be deemed given when delivered personally, or if mailed, three (3) days after the date of mailing; unless by express mail, facsimile telecopy, or telegraph, then upon the date of confirmed receipt, to the following representatives:

For MRMIB:

Managed Risk Medical Insurance Board Attn: Dennis Gilliam 1000 G Street, Suite 450 Sacramento, CA 95814 Telephone No.: (916) 322-1215

FAX No. (916) 327-6580 E-Mail: dgilliam@mrmib.ca.gov

For Contractor:

Contractor Name:

Notice Contact Person:

Address:

Address:

Telephone No.:

FAX No.

E-Mail:

Either party hereto may, from time to time by notice in writing served upon the other as aforesaid, designate a different mailing address or a different or additional person to which all such notices or demands thereafter are to be addressed.

I. Permits and Licenses

The Contractor shall procure and keep in full force and effect during the term of this Agreement all permits and licenses necessary to accomplish the work contemplated in this Agreement.

J. <u>Compliance with Applicable Law</u>

The Contractor shall carry out its duties and responsibilities herein in accordance with, be limited in the exercise of its rights by, and observe and comply with, all federal, state, city and county law, including but not limited to statutes, ordinances rules and regulations, and common law affecting services under this Agreement.

K. Reports and/or Meetings

- The Contractor shall provide oral or written progress reports as requested by the State to determine if the Contractor is performing to expectations or is on schedule, to provide communication of interim findings, and to afford occasions for discussing and resolving problems encountered.
- 2. The Contractor shall meet with the State upon request to discuss progress on the Agreement or to present findings, conclusions and recommendations.

L. Additional Documents

The Contractor and the State agree to execute such additional documents, and perform such further acts, as may be reasonable and necessary to carry out the provisions of this Agreement.

M. Key Personnel

- Attached to this Contract is a resume for each member of the Contractor's staff who will exercise a significant administrative, policy, or consulting role in carrying out the Contractor's responsibilities pursuant to Attachment I of this Agreement. These personnel shall be hereafter referred to (both individually and collectively) as "Key Personnel".
- 2. The Contractor shall not substitute, replace or reassign Key Personnel without the State's prior approval. However, with the

State's prior approval, the parties may agree in writing to a change in these Key Personnel, which writing shall become a part of this Agreement.

3. This Agreement may be terminated immediately, in the State's sole discretion and upon written notice from the State to the Contractor, because of any change in or departure of the Contractor's Key Personnel.

N. Changes In Control, Organization Or Key Personnel

The Contractor shall promptly, and in any case within five (5) calendar days, notify the State in writing: (i) if any of the Contractor's representations and warranties, as set forth in this Agreement, cease to be true at any time during the term of this Agreement; (ii) of any change in the Contractor's staff who exercise a significant administrative, policy, or consulting role under this Agreement, including without limitation the Key Personnel; (iii) of any change in the majority ownership, control, or business structure of the Contractor; or (iv) of any other material change in the Contractor's business, partnership or corporate organization. All written notices from the Contractor under this provision shall contain sufficient information to permit the State to evaluate the changes within the Contractor's personnel or organization under the same criteria as was used by the State in its award of this Agreement to the Contractor. The Contractor agrees to promptly provide the State with such additional information as the State may request.

O. <u>Confidentiality</u>

- 1. The Contractor agrees to protect the security and confidentiality of all eligibility and enrollment data and all other personal information and protected health information about individuals maintained as part of each Program in accordance with the Information Practices Act, Civil Code Section 1798 et seq., and all other applicable State and Federal laws and regulations, including the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the regulations promulgated thereunder. All financial, statistical, personal, technical and other data and information relating to the State operations which are designated confidential by the State which become available to the Contractor shall be protected by the Contractor from unauthorized use and disclosure.
- 2. All financial, statistical, personal, technical and other data and information relating to the State's operation which are designated confidential by the State and which become available to the

Contractor shall be protected by Contractor from unauthorized use and disclosure.

- 3. The Contractor agrees that it shall not use any individual identifiable information or other confidential information for any purpose other than carrying out the provisions of this Agreement.
- 4. The Contractor shall ensure that all of its officers, employees, representatives, consultants, subcontractors, or agents who have access to any confidential information for purposes of carrying out the provisions of this Agreement shall execute a confidentiality agreement incorporating all requirements of this Item II.O. in a form acceptable to the State.

P. HIPAA Business Associate Provision

In carrying out its HIPAA responsibilities, Contractor shall comply with all of the following:

- 1. <u>Use of Protected Health Information</u>. Except as otherwise limited in this Agreement, Contractor may use or disclose Protected Health Information (PHI) to perform functions, activities, or services for, or on behalf of, the State, provided that Contractor shall not use, and shall ensure that its directors, officers, employees, contractors and agents and representatives do not use PHI received from the State or any of its contracting health plans or other sources in any manner that would constitute a violation of the Health Insurance Portability and Accountability Act (HIPAA), or the Privacy Regulations (Title 45 Code of Federal Regulations parts 160 and 164), if used by the State or any of its contracting health plans. Contractor may use PHI to provide Data Aggregation services to the State as permitted by 42 CFR section 164.504(e)(2)(i)(B).
- 2. <u>Disclosure of PHI</u>. Contractor shall not disclose, and shall ensure that its directors, officers, employees, contractors, and agents do not disclose, PHI received from the State or any of its contracting health plans or other sources in any manner that would constitute a violation of HIPAA or the Privacy Regulations if disclosed by the State or any of its contracting health plans; however, Contractor may disclose PHI as required by any provision of law that has not been preempted by HIPPA. To the extent Contractor discloses PHI to a third party, Contractor must obtain, prior to making any such disclosure: (a) written approval from the State and the relevant health plan for such disclosure; (b) reasonable assurances from the third party that such PHI will be held confidential as provided pursuant to this Agreement and only disclosed as required by law

or for the purposes for which it was disclosed to such third party; and (c) an agreement from such third party to immediately notify Contractor of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.

- 3. Reporting of Disclosures of PHI. Contractor shall, within ten (10) days of becoming aware of a disclosure of PHI in violation of this Agreement by Contractor, its officers, directors, employees, contractors or agents or by a third party to which Contractor disclosed PHI pursuant to Section 2 of this Provision, report any such disclosure to the State and the relevant health plan.
- 4. Agreements with Third Parties. Contractor shall enter into an agreement with any agent or subcontractor that will have access to PHI that is received from, or created or received by, Contractor on behalf of the State or any of its contracting health plans pursuant to which such agent or subcontractor agrees to be bound by the same restrictions, terms and conditions that apply to Contractor pursuant to this Agreement with respect to such PHI.
- 5. Accounting for Disclosures. Within ten (10) days of notice by the State or any of its contracting health plans to Contractor that it has received a request for an accounting of disclosures of PHI regarding an individual during the six (6) years prior to the date on which the accounting was requested, Contractor shall make available to the State or the relevant health plan such information as is in Contractor's possession and is required for the State or the relevant health plan to make the accounting required by 45 CFR section 164.528. At a minimum, Contractor shall provide the State or the relevant health plan with the following information: (a) the date of the disclosure; (b) the name of the entity or person who received the PHI, and if known, the address of such entity or person; (c) a brief description of the PHI disclosed; and (d) a brief statement of the purpose of such disclosure which includes an explanation of the basis for such disclosure. In the event the request for an accounting is delivered directly to Contractor. Contractor shall, within one week, forward such request to the State and the relevant health plan. It shall be the responsibility of the State or the relevant health plan to prepare and deliver any such accounting requested. Contractor hereby agrees to implement an appropriate record keeping process to enable it to comply with the requirements of this Section.
- 6. <u>Safeguards</u>. Contractor shall use appropriate administrative, technical, and physical safeguards to prevent use or disclosure of PHI in violation of the requirements of this Agreement.

- 7. Availability of Books and Records. Contractor hereby agrees to make its internal practices, books and records relating to the use and disclosure of PHI received from the State or any of its contracting health plans, or created or received by Contractor on behalf of the State or any of its contracting health plans available to the Secretary of the Department of Health and Human Services (DHHS) for purposes of determining the compliance of the State with HIPAA.
- 8. <u>Definitions</u>. The terms used in this Provision shall be defined as they are defined in 45 CFR parts 160 and 164.
- 9. Amendment. Upon the enactment of any law or regulation affecting the use and/or disclosure of PHI, or the publication of any court decision relating to any such law, or the publication of any interpretive policy, opinion or guidance of any governmental agency charged with the enforcement of any such law or regulation, the State may, by written notice to Contractor, amend this Agreement to comply with such law or regulation, court decision or opinion. If Contractor agrees with any such amendment, it shall so notify the State in writing within thirty (30) days of the written notice. If the parties are unable to agree on an amendment within thirty (30) days thereafter, the State may terminate this Agreement as for cause as provided in Exhibit C, Section VII.
- 10. Breach. Without limiting the rights of the parties pursuant to this Agreement, if Contractor breaches its obligations under this Provision, the State may, at its option: (a) exercise any of its rights of access and inspection under Item II.P.7. of this Provision; (b) require Contractor to submit to a plan of monitoring and reporting, as the State may determine necessary to maintain compliance with this Agreement, and such plan shall be made part of this Agreement; or (c) terminate this Agreement, with or without opportunity to cure the breach. The State's remedies under this Section and any other part of this Agreement or provision of law shall be cumulative, and the exercise of any remedy shall not preclude the exercise of any other.
- 11. Procedure Upon Termination. Upon termination of this Agreement, Contractor shall return or destroy all PHI that it maintains in any form and shall retain no copies of such information or, if the parties agree that return or destruction is not feasible, Contractor shall continue to extend the protections of this Agreement to such information and limit further use of the information to those purposes that make the return or destruction of the information not

feasible. The respective rights and obligations of Contractor concerning the HIPAA Privacy Rule and its implementing regulations and contractor's role as business associate shall survive the termination of this Agreement.

12. <u>Interpretation.</u> Any ambiguity in this Agreement shall be resolved in a manner consistent with the Privacy Rule. Further, in the event that such duties and obligations are not specifically addressed elsewhere in this Agreement, the Contractor shall undertake all duties and obligations that are to be undertaken by business associates pursuant to 45 CFR Section 164.504(e)(2)(ii).

Q. <u>HIPAA Compliance</u>

The State and Contractor recognize that, as regulations are promulgated and become effective under the Health Insurance Portability and Accountability Act of 1996 (HIPAA), the State may add one or more additional provisions to this Agreement in order for the State to achieve compliance with all applicable HIPAA requirements. The State may, by written notice to Contractor, amend this Agreement to comply with such new regulations. If Contractor agrees with any such amendment, it shall so notify the State in writing within thirty (30) days of the written notice. If the parties are unable to agree on an amendment within thirty (30) days thereafter, the State may terminate this Agreement for cause as provided in Exhibit C, Section VII.

III. <u>NEGATIVE COVENANTS</u>

A. Conflict of Interest

1. The Contractor shall not directly or indirectly receive any benefit from recommendations made to the State and shall disclose to the State any investment or economic interest of the Contractor, or the Contractor's personnel performing services under this Agreement, which may be enhanced by the recommendations made to the State. The Contractor acknowledges that the State, and its employees and consultants are subject to the provisions of the Fair Political Practices law of California (Government Code Section 81000, et seq., and all regulations adopted thereunder, including, but not limited to, Title 2, California Code of Regulations Section 18700) and the Contractor shall comply promptly with any requirement thereunder. The Contractor shall require any of its personnel to whom the legal requirements apply to file Statements of Economic Interests in compliance with the State's Conflict of

Interest Code (Title 2, California Code of Regulations, Section 54400).

 The Contractor affirms that the contractor shall not use any information resulting from this Agreement to advantage the Contractor's other business operations.

B. <u>Publicity</u>

No publicity release or announcement concerning this Agreement or the transactions contemplated herein shall be issued by the Contractor without advance written approval by the State.

C. <u>Services or Procurement Resulting From Agreement</u>

Neither the Contractor, nor any of its subsidiaries, officers or directors, may submit a bid or be awarded a contract for the provision of services, procurement of goods or supplies, or any other related action which is required, suggested, or otherwise deemed to be an outgrowth of the advice or recommendations that the Contractor provides under this Agreement.

IV. REPRESENTATIONS AND WARRANTIES

A. Power and Authority

The Contractor represents and warrants that it has the power and authority to enter into this Agreement and to carry out its obligations hereunder. The execution of this Agreement has been duly authorized by the Contractor and no other proceeding on the part of the Contractor is necessary to authorize this Agreement. The Contractor has completed, obtained and performed all registrations, filings, approvals, authorizations, consents or examination required by any government or governmental authority for its acts contemplated by this Agreement.

B. <u>Legal Proceedings</u>

Except as specifically disclosed in writing to the Program by the Contractor prior to the date hereof, and approved by the State in writing, the Contractor certifies that there are no suits, investigations, or other proceedings pending or threatened against the Contractor which would have an effect on the Contractor's ability to perform under this Agreement.

C. Financial Information

The Contractor certifies that all financial information delivered to the State, including, without limit, audited financial statements and related financial periodic information relating to the Contractor, its parent corporation, its affiliates and subsidiaries, its partners or joint ventures, or any Guarantor, fairly and accurately represents such financial condition and has been prepared in accordance with Generally Accepted Accounting Principles unless otherwise noted in such information. The Contractor further certifies that its current and projected financial condition is adequate to enable Contractor to fully perform its duties and obligations under this Agreement during the full term of the Agreement. Unless the Contractor so informs the State, the Contractor certifies that no material adverse change in such financial condition has occurred.

D. Reporting Accuracy

The Contractor certifies that all reports, documents, instruments, papers, data, information and forms of evidence delivered to the State with respect to this Agreement are accurate and correct, and complete insofar as completeness may be necessary to give the State true and accurate knowledge of the subject matter thereof, and do not contain any material misrepresentations or omissions.

E. Agreement Does Not Violate Law

Neither the execution of this Agreement nor the acts contemplated hereby nor compliance by the Contractor with any provisions hereof will:

- 1. Violate any provision of the charter documents of the Contractor;
- 2. Violate any statute or law or ordinance or any judgment, decree, order, regulation or rule of any court or governmental authority applicable to the Contractor; or
- 3. Violate, or be in conflict with, or constitute a default under, or permit the termination of, or require the consent of any person under, any agreement to which the Contractor may be bound, the violation of which in the aggregate would have a material adverse effect on the properties, business, prospects, earnings, assets, liabilities or condition (financial or otherwise) of the Contractor.

F. <u>Due Organization</u>

The Contractor is duly organized, validly existing and in good standing under the laws of the State of its incorporation or organization.

G. <u>Signature Authorization</u>

The person signing this Agreement warrants that he/she is an agent of the Contractor and is duly authorized to enter into this Agreement on behalf of the Contractor.

H. Contractor Monitoring

The Contractor is hereby notified that the State shall monitor and evaluate the Contractor's performance under this terms and conditions of this Agreement and may submit the an evaluation to the Department of General Services Office of Legal Services within sixty (60) days after the completion of the Contractor's performance under this Agreement. Any negative evaluation resulting from unsatisfactory Contractor performance shall be filed with the Department of General Services. The Contractor shall be notified and sent a copy of the evaluation within 15 days of filing the negative evaluation with General Services. The Contractor shall then have 30 days to prepare and send a statement defending his or her performance under the Contract to the Board and the Department of General Services. The evaluation and the Contractor's response are not a public record. However, they shall remain on file for 36 months.

V. **GENERAL PROVISIONS**

A. Binding Effect

This Agreement, any instrument or agreement executed pursuant to this Agreement, and the rights, covenants, conditions and obligations of the Contractor and the State contained therein, shall be binding upon the parties and their successors, assignees and legal representatives.

B. Taxes

The State is exempt from federal excise taxes and shall not make any payment for any personal property taxes levied on the Contractor or any taxes levied on employee wages. The only taxes the State will pay on the services rendered pursuant to this Agreement are state and local sales or use taxes.

C. Incorporation of Amendments to Applicable Laws

Any references to sections of federal or state statutes or regulations shall be deemed to include a reference to any amendments thereof and any successor provisions thereto.

D. <u>Ambiguities Not Held Against Drafter</u>

This contract having been freely and voluntarily negotiated by all parties, the rule that ambiguous contractual provisions are construed against the drafter of the provision shall be inapplicable to this contract.

E. Force Majeure

Neither party to this Agreement shall be liable for damages resulting from delayed or defective performance when such delays arise out of causes beyond the control and without the fault or negligence of the offending party. Such causes may include, but are not restricted to, Acts of God or of the public enemy, acts of the State in its sovereign capacity, fires, floods, power failure, disabling strikes, epidemics, quarantine restrictions, and freight embargoes.

F. Waivers

No delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party of any right, power or privilege hereunder, nor any single or partial exercise of any right, power or privilege hereunder, preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

G. Titles/Section Headings

Titles or headings are not part of this Agreement, are for convenience of reference only, and shall have no effect on the construction or legal effect of this Agreement.

H. Counterparts

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

I. Cumulative Remedies

The rights and remedies provided herein are cumulative and are not exclusive of any rights or remedies, which any party may otherwise have at law or in equity.

J. <u>Entire Agreement/Incorporated Documents/Order of Precedence</u>

- 1. This Agreement contains all representations and the entire understanding between the parties hereto with respect to the subject matter hereof. Any prior correspondence, memoranda, or agreements are replaced in total by this Agreement.
- 2. This Agreement shall consist of the terms of this Agreement, and all attached documents, which are expressly incorporated herein.
- 3. In the event there are any inconsistencies or ambiguities among the terms of this Agreement and incorporated documents, the following order of precedence shall be used: (i) applicable laws; (ii) the terms and conditions of this Agreement, including attachments; and (iii) any other provisions, terms, or materials incorporated herein.

K. Dispute Resolution

At the written request of either party, any dispute concerning a question of fact arising under the terms of this Agreement shall be brought to the attention of the Executive Director of the Managed Risk Medical Insurance Board, who, will render a decision regarding the dispute, after which, the Contractor may assert its other rights and remedies within this Agreement or within a court of competent jurisdiction. The State may assert its rights and remedies within this Agreement or within a court of competent jurisdiction at any time without going through this dispute resolution process.

The State and Contractor agree that, the existence of a dispute notwithstanding, they will continue without delay to carry out all their responsibilities under this Agreement which are not affected by this dispute.